

Message Text

CONFIDENTIAL

PAGE 01 THE HA 05234 300727Z

13

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SCI-06 SCEM-02 INT-08 COME-00

TRSE-00 DODE-00 CIAE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 OMB-01 DRC-01 /165 W

----- 122627

P R 300634Z NOV 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC PRIORITY 2472

INFO AMEMBASSY BRUSSELS

C O N F I D E N T I A L THE HAGUE 5234

E.O. 11652: GDS

TAGS: ENRG, NL

SUBJECT: DUTCH REACTION TO IMPENDING CUTBACK AT

CHEVRON/TEXACO REFINERY

1. MINECON DIRECTOR OF FUELS VAN RHIJN PHONED ECON COUNSELOR TODAY TO INFORM US OF DISCUSSIONS HE HAS HAD OVER PAST TWO DAYS WITH CHEVRON NEDERLAND MANAGING DIRECTOR DAN PILIERO AND CHEVRON EUROPE PRESIDENT JAN SMIT CONCERNING CHEVRON'S PLANS TO CUT DOWN THROUGHPUT AT ITS ROTTERDAM REFINERY (OPERATED JOINTLY WITH TEXACO) IN EARLY JAN TO ABOUT 15 PERCENT OF CAPACITY FOR LACK OF CRUDE (HAGUE 5192). VAN RHIJN SAID HE HAD TOLD CHEVRON EXECUTIVES THAT THIS DECISION IS "UNACCEPTABLE" BECAUSE CHEVRON REFINERY SERVES OVER 20 PERCENT OF DUTCH MARKET FOR PRODUCT. VAN RHIJN SAID THAT GON WOULD REFUSE TO ACCEPT FORCE MAJEURE AS ARGUMENT TO SUPPORT THIS DECISION AND THAT HE LOOKS TO STANDARD OF CALIFORNIA TO FIND CRUDE FROM OTHER SOURCES SUFFICIENT TO KEEP ROTTERDAM REFINERY IN OPERATION AT REASON-ABLE LEVEL. SMIT PLANS TO VISIT HIS HEAD OFFICE IN CALIFORNIA DEC 1 TO DISCUSS DUTCH DEMARCHE.

2. WE HAVE SUBSEQUENTLY OBTAINED FROM PILIERO FOLLOWING BACKGROUND ON ITS DUTCH REFINERY OPERATION. REFINERY IN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 THE HA 05234 300727Z

ROTTERDAM HAS CAPACITY OF 300,000 B/D OF WHICH ROUGHLY 200,000

IS EARMARKED FOR CHEVRON AND 100,000 FOR TEXACO. CHEVRON AND TEXACO HAVE MADE JOINT DECISION TO OPERATE INTO EARLY JAN AT 75 PERCENT OF CAPACITY LEAVING CHEVRON WITH THROUGHPUT OF 150,000 B/D AND TEXACO 75,000 B/D. OF CHEVRON'S 150,000 B/D, 100,000 IN PRODUCT FORM WOULD BE RESERVED FOR DUTCH MARKET IN ACCORDANCE WITH USUAL PATTERN OF TRADE AND 50,000 B/D OF PRODUCT WOULD BE SHIPPED TO UK AND DENMARK. (CHEVRON NORMALLY ALSO TRANSSHIPS 105,000 B/D IN CRUDE VIA ROTTERDAM TO ITS BELGIAN REFINERY THROUGH ROTTERDAM-ANTWERP PIPELINE, AND 45,000 B/D BY PIPELINE TO GERMANY BUT THESE CRUDE SHIPMENTS ARE NOT INVOLVED IN PRESENT DISCUSSIONS WITH GON. CHEVRON IS EXPLORING WITH SAUDI AND BAHREIN AUTHORITIES WAYS OF CONTINUING THEM EITHER BY DIRECT SHIPMENT OR THROUGH PIPELINE AS BEFORE). WE UNDERSTAND FROM TEXACO THAT PRACTICALLY ALL OF THEIR THROUGHPUT IS CURRENTLY RETAINED IN HOLLAND, BUT FURTHER DETAILS ON TEXACO NOT AVAILABLE UNTIL THEIR MANAGER RETURNS TO HAGUE NOV 30.

3. IT IS CLEAR FROM VAN RHIJN DEMARCHE THAT HIS PRIMARY CONCERN IS TO MAINTAIN REFINERY THROUGHPUT FOR ROUGHLY 160,000 B/D IN CHEVRON/TEXACO PRODUCT DESTINED FOR DUTCH MARKET, ALTHOUGH GON WOULD DOUBTLESS HOPE THAT IT WOULD BE POSSIBLE ALSO TO CONTINUE PRORATED LEVEL OF PRODUCT EXPORTS TO TRADITIONAL MARKETS. IN HIS CONVERSATION WITH US VAN RHIJN EMPHASIZED THE SERIOUS IMPACT ON CONSUMING INDUSTRIES AND HOUSEHOLDS IF DUTCH MARKET WERE SUDDENLY DEPRIVED OF 160,000 B/D OF PRODUCT. HE POINTED OUT HOW ANOMALOUS IT WOULD BE IF WITHIN WEEKS AFTER PUBLIC USG ANNOUNCEMENT OF OIL SUPPORT TO NETHS A MAJOR US-OWNED REFINERY WERE PERMITTED TO GO VIRTUALLY OUT OF PRODUCTION. VAN RHIJN DID NOT ATTEMPT TO SUGGEST HOW CHEVRON AND TEXACO MIGHT FIND THE NECESSARY CRUDE TO KEEP THE REFINERY GOING BUT SUGGESTED THAT USG OFFICIALS PLANNING ASSISTANCE TO NETHS MIGHT USEFULLY FOCUS ON THIS PROBLEM AS A MATTER OF URGENCY.

4. WE POINTED OUT TO VAN RHIJN OUR UNDERSTANDING (HAGUE 5192) THAT OTHER AMERICAN COMPANIES HERE (MOBIL, GULF, EXXON) MAY SOON HAVE TO FACE UP TO SIMILAR SITUATION IF THEY ARE CUT OFF BY OPEC FROM THEIR NORMAL SUPPLIES OF CRUDE FOR THEIR DUTCH REFINERIES. VAN RHIJN SAID THAT HE WAS AWARE OF THIS PROBLEM AND WOULD GO INTO IT IN DETAIL WITH THE MANAGEMENT

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 THE HA 05234 300727Z

OF THESE COMPANIES AS SOON AS TIME PERMITTED.

5. WE ASSUME THAT SOCAL WILL BE IN TOUCH WITH DEPT AT AN EARLY DATE, POSSIBLY NEXT WEEK, ON THIS PROBLEM. IN MEANTIME WE WOULD BE GRATEFUL FOR GUIDANCE ON ANY RESPONSE WE CAN MAKE AT THIS TIME TO VAN RHIJN.

TANGUY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, EXPORTS, REFINERIES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973THEHA05234
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973111/aaaaaagx.tel
Line Count: 114
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Sep-2001 by freemaal>; APPROVED <06-Nov-2001 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DUTCH REACTION TO IMPENDING CUTBACK AT CHEVRON/TEXACO REFINERY
TAGS: ENRG, NL, CHEVRON, TEXACO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005